

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FIRST SET OF INFORMATION REQUESTS TO COLONIAL GAS COMPANY
D/B/A
KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-86

Respondent: Jennifer Bedard

Information Request: 1-13

- Q. Please provide the information shown in the table below. For each Part, please provide the information shown in the table below. For each Part, indicate the period covered for the installed measures included in the calculation of LBR.
- A. As required by the Department, the residential gas savings estimates and assumptions used to calculate LBR in this and prior LBR filings are based on the GEMS methodology that was litigated and approved by the Department in Boston Gas Company, D.P.U. 94-15 (1995). GEMS was an analytical framework established by Boston Gas to (1) determine the effectiveness of Boston Gas residential energy savings programs (“ESP”) by estimating the amount of gross energy saved from a sample of its residential customers, (2) transferring these results to its residential ESP and non-host LDC’s DSM programs, and (3) adjusting gross savings to account for factors that affect net program savings. D.P.U. 94-15 at 12. In general, using the GEMS methodology, gross savings estimates, and, therefore, specific savings coefficients from energy conservation measures that affect unit energy consumption are adjusted for free riders, snapback, persistence, and interactive effects to determine the net savings. Id. at 33-47. Colonial, in 1995, hired the Tellus Institute to perform a detailed *process evaluation* to determine appropriate free ridership and persistence levels for residential. The results have been incorporated in the Company’s LBR recovery filings. A copy of the Tellus study was submitted in Colonial Gas Company, D.T.E 02-58.

With respect to small C&I program, GEMS did not apply. Therefore, Colonial hired Tellus Institute to perform an *impact evaluation* to determine gross savings for the small C&I program. That same process evaluation noted above determined free ridership and persistence for small C&I in order to provide net savings figures. The results were incorporated into previous LBR filings that have been approved by the Department and the results are incorporated into this filing.

With respect to medium C&I, gross savings were calculated on a customer by customer basis using Market Manager, an energy audit and modeling software program. The Company hired Tellus to provide a detailed *impact and process* evaluation. The Tellus findings indicated that the actual gross savings from the medium C&I program were 113 percent of the gross savings estimates calculated through Market Manager. However, Tellus indicated that they were unable to provide reliable information regarding free riders and persistence, the behavioral factors generally used to adjust gross savings to net savings. Accordingly, based on Tellus' recommendation, Colonial did not increase the Market Manager savings estimates to reflect the study's projected realization rate. Rather, Colonial chose a conservative approach and utilized initial Market Manager results in calculating savings estimates for its Medium C&I program. Colonial used this same methodology to calculate savings estimates in previous other filings that the Department approved as well as in this filing.

The Company has overall program percentages for net therm savings to gross therm savings for the method used prior to D.T.E 97-112 for the residential program (90.47 percent) and for the small C&I program (90.73 percent).